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Pimp My Presidency: Super PACs and Campaign Financing

Loren, Scott

Abstract: ARRAY(0x5612909ba998) To date the Federal Elections Commission (FEC) has registered direct candidate contributions in excess of 430 million USD for the US Presidential election taking place on 8 November 2016 – an opinion piece by Dr. Scott Loren. 29 February 2016. For the upcoming US General Federal Election, the FEC has received more than fifteen thousand official statements of candidacy and registered direct candidate contributions in excess of 430 million USD. Since the start of February each party recognized six Republicans (and falling), two Democrats and two third party candidates, while campaign operating expenditures have passed the 300 million mark. In these early phases, the speed with which candidate popularity can change is only matched by the number of campaign dollars changing hands. Of course, neither fickleness in opinion nor fluidity of monies are particular to the 2016 race. By September 2012, remaining presidential hopefuls incumbent Obama and Romney had raised and spent campaign monies in the range of 1000 million USD each. If elements of surprise and big money are the name of the game in presidential elections, two things set current campaigning apart from previous races: the massive influx of loosely regulated funds through Super PACs, and the apparent lack of correlation between campaign financing and candidate popularity.

Other titles: To date the Federal Elections Commission (FEC) has registered direct candidate contributions in excess of 430 million USD for the US Presidential election taking place on 8 November 2016 – an opinion piece by Dr. Scott Loren.

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Pimp my presidency

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excess of 430 million USD for the US Presidential election taking place on 8 November 2016 – an opinion piece by Dr. Scott Loren.

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PACs and Super PACs

Political Action Committees (PACs) raise monies to campaign for or against candidates, legislature and related issues. They have been in existence since the 1940s, representing business, labour and other special interest groups. A PAC is permitted



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to give 5,000 USD to a candidate committee per election, as well as 15,000 USD to national party committees and 5000 USD to other PACs per annum.

What makes Super PACs super? The partial deregulation of funding. There is no limit to the amount of monies a Super PAC is entitled to raise and spend. This type of financial freedom in campaigning is unprecedented, though there are some limitations specific to Super PACs. According to FEC regulations, candidate committees and Super PACs must function independent of one another. Direct donations to candidates as well as coordination with candidate committees is prohibited, though lightly veiled coordination between the two is not uncommon.

First Amendment rights

Super PACs became a significant campaign-financing factor as a result of the 2010 Supreme Court case *Citizens United v. Federal Election Commission*. Taking recourse to First Amendment rights, it was ruled that Federal legislation may not restrict corporate, union, or other group spending for political campaigns. The decision led to a flurry of fund raising and spending in the 2012 elections, with 300 million in outside (i.e. non-candidate committee) monies spent by the general election, 40 per cent from undisclosed sources. One term later, the 2016 presidential race is seeing completely new dimensions. As of mid-February, Super PACs have reported more than 500 million in receipts to the FEC. If previous campaign funding is any indication of what is to come, a great deal more can be expected.

In 2016, the first major round of party-organized primaries, known as Super Tuesday, takes place on 1 March. The short to mid-term effects of Super Tuesday tend to rally together disparate interest groups within a single party. As a consequence, we are likely to see greater consolidation of outside funding sources joining forces in support of party favourites. Even if Super Tuesday fails to produce a clear (or accurate) indication of who will run on a party ticket in November, greater consolidation of outside funding along party lines is inevitable in coming weeks and months.

Where is the money?

The money is everywhere, with seemingly little correlation to party ideologies or personal finances. Hillary Clinton currently has the highest campaign financing, in excess of 160 million, followed closely by former candidate Jeb Bush, with 155.5 million. The source dynamics, however, are near inversions of one another. More than two-thirds of Clinton's finances are candidate committee monies, while nearly 80 per cent of Bush's total finances come from Super PACs and other outside groups.

Republican hopefuls Cruz and Rubio have approximately 90 million and 60 million respectively. For both there is little discrepancy between the amount of outside source funds and candidate committee monies. At the bottom of the list for outside monies, both Donald Trump (2 million outside monies) and Bernie Sanders (37,000 USD in outside monies) publically critique the role of campaign financing in the presidential race. But with Sanders' control of 75 million in committee funds and Trump's capacity to generate media coverage for free, they can afford to do so. Ranking 4th with 7.9 per cent party support at the February 20th Republican primaries, Jeb Bush is by far the leader in funding and expenditure through Super PACs, though he has recently had a change of heart regarding policy.

After Bush placed 6th in the Iowa Republican caucuses at the beginning of February, many were quick to point out the discrepancy between the millions of dollars being spent in support of Bush and his ranking in the caucuses. One inference colouring some of the commentary was that money might be less important for candidate positioning than had been previously assumed. Perhaps Super PACs weren't so super after all. Parallel to newly forming assumptions about the efficacy of funding was also the implication that money was not the salient question, but rather Bush's ability to pull his own weight as a presidential candidate. He has since withdrawn from the race.

Dark money

In response, Bush made what at first sight appears to be a plea for greater funding regulation, claiming that if he were

able he would reverse the 2010 Supreme Court ruling (Citizens United v. Federal Election Commission) that enabled the proliferation of Super PACs in the first place. However, the stress in his critique does not fall on high finances in political campaigning per se, but on legitimacy and control of finances. Ethically qualifying this new stance, he stated that in comparison to conventional PACs, Super PACs are partly financed through and encourage the use of dark monies (funds from undisclosed recipients). This kind of ethical posing might find some resonance with centrists, though it does have an uncharacteristic flavour for a Republican candidate.

More stringently regulated, conventional PACs allow for greater transparency of contribution sources. Incidentally, they also allow a candidate's campaign committee full control of funding and expenditure. In the subtext of Bush's ethical turn against Super PACs, and in favour of increased legitimacy and control that conventional PACs offer, is his incisive, if less explicit, retort to accusations of inefficacy: the problem is neither inefficacies of high finance per se, nor Bush's own inefficacies as a candidate. The problem is not having full control over the expenditure of funds raised. While the power of suggestion at work here may relieve Bush of some of the blame for poor performance in the primaries, it displaces blame onto the outside campaign groups supporting his candidacy.

And as these comprise his largest source of funding, it seems a risky move to make. But with Super Tuesday around the corner, the race is still wide open – and with the rise of Super PACs, so are the limits of campaign financing. What impact they have at the end of the day remains to be seen.

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